This has been projected in the form of Army's Long Term Perspective Plan covering the period upto 31st March, 2017.

The issue of Modernization of the Army is addressed comprehensively in the Long Term Perspective Plan. Every Army in the world has a balanced mix of technologies, ranging from state-of-the-art, to those being phased out. The Indian Army too, depending upon its requirement is supplied with armaments and equipment accordingly.

Tax and cess in textiles industry

†*131. SHRI RAVI SHANKAR PRASAD: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that tax and cess is being charged at different levels in textile industry in the country;

(b) if so, the levels at which this tax or cess is charged alongwith the amount thereof;

(c) whether there has been any decrease or increase in the rates of said tax or cess during the last three years;

(d) if so, what changes have been made in the rates and when they were made; and

(e) the average annual amount charged as tax and cess from textile industry?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and (b) Till 8.7.2004, the Central Excise Duty was levied at different levels, *i.e.* fibres, yarns, fabrics, made-ups, garments, etc. with CENVAT credit facilities available at all levels. However, as per the Budget 2004-05 presented in the Parliament on 8.7.04, the duty structure of textiles has been completely revised. The CENVAT Scheme for textiles has been made optional and there will be mandatory duty only on man-made fibres/yarns (*i.e.* 24% on Polyester Filament Yarn (PFY) including textured yarn and 16% on all other filament yarns and man-made fibres). Except for these duties other textile goods will be fully exempt if no credit of duties is taken under the CENVAT Credit Rules. For those opting to pay the duty and thereby avail of duty credit, the applicable rates of duty will be 4% for cotton textile items *(i.e.,* yarns, fabrics, garments and made-ups) and 8% for other textile items including yarn, fabrics, garments, and made-ups.

† Original notice of the question was received in Hindi.

Apart from Central Excise Duty, Textiles Committee Cess @ 0.05% *ad-valorem* is being collected under Textiles Committee Act, 1963 from every manufacturer of textiles and textile machinery in India. However, cess is not levied on textiles manufactured from out of handloom or powerloom industries as defined under the aforesaid Act. There is no decrease or increase in the rates during last three years.

(c) and (d) The details alongwith changes in aggregate excise duty which include Basic Excise Duty (BED), Additional Duty on Textiles and Textile Articles (AT&E) and Additional Excise Duty in lieu of Sales Tax for goods of special importance (AEDST) on textile items during the last three years are given as under:

(in %age)

Sl. No	Items	2001-02	2002-03	2003-04
1.	FIBRE			
	i) Raw cotton	Nil	Nil	Nil
	ii) Raw wool	Nil	Nil	Nil
	iii) Carded/combed wool	18.40	18.40	18 40
2.	MAN-MADE FIBRES			
	i) Polyester Staple Fibre	18.40	18 40	18.40
	ii) Viscose Staple Fibre			
	iii) Acrylic Staple Fibre			
3.	YARNS			
	i) Cotton	920	9.20	9.20
	ii) Woollen	18.40	1840	13.80
	iii) Blended/spun	18.40	18 40	13.80
	iv) PFY / POY	36 80	36.80	27.60
	v) All other filament yarns	18 40	18.40	13.80
4.	PROCESSED FABRICS			
	Woven Fabrics			
	i) Cotton	16	12	10
	ii) Man-made / Blended	16	12	10
	iii) Woollen	16	12	10

Sl. No.	Items	2001-02	2002-03	2003-04
	Knitted or crocheted fabrics			
	iv) Cotton	Nil	12*	8
	v) Man-made / blended	16	12	10
	vi) Industrial fabric falling under Ch. No. 5901,5902,5903,5907-11, 5907-12	Varies from Nil to 21	Varies from Nil to 21	16
5.	GARMENTS			
	i)AII woven garment	16	12	10
	ii) Knitted cotton garments	16	12*	8
	iii) Other knitted garments	16	12	10
	iv) Made-ups	16	12	10

* Optional duty

There has been no change in the rate of Textiles Committee Cess during the last three years.

(e) The details of Central Excise Duty and Textiles Committee Cess during the last three years are indicated below:

(Rs. in crore)

Year	Central Excise Duty	Textiles Committee Cess
2001-02	4301	36.72
2002-03	4270	38.18
2003-04	3551	42.40

Free power to farmers

*132. SHRIMATI N.P DURGA: Will the Minister of POWER be pleased to state:

(a) whether Government is against giving free power to farmers as a general policy;

(b) whether any State Government has come before the Ministry with a proposal that it wishes to give free power to its farmers;

(c) whether the Ministry is going to extend any help to such States; and